

**EXHIBIT A**

Policy Number  
2441886561

Renewal of Number  
2441873745

**Crum & Forster**  
A FAIRFAX Company

COMMON POLICY DECLARATIONS  
UNITED STATES FIRE INSURANCE COMPANY

Item 1. Named Insured and Mailing Address

COPART INC.  
4665 BUSINESS CENTER DRIVE  
FAIRFIELD CA 94534-0000

Agent Name and Address

MARSH GLOBAL BROK/SF  
1 CALIFORNIA STREET  
SAN FRANCISCO CA 94111

RETURN TO  
COMPANY  
IF CANCELLED

Item 2. Policy Period

From: 10-01-2005

To: 10-01-2006

at 12:01 A.M., Standard Time at your mailing address shown above.

Item 3. Business Description: AUTO SALVAGE

Form of Business: CORPORATION

Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)

Premium

Commercial Property Coverage Part	\$	306,250.00
Commercial General Liability Coverage Part	\$	NOT COVERED
Commercial Crime Coverage Part	\$	NOT COVERED
Commercial Inland Marine Coverage Part	\$	NOT COVERED
Commercial Auto (Business or Truckers) Coverage Part	\$	NOT COVERED
Commercial Garage Coverage Part	\$	NOT COVERED
	\$	
	\$	
	\$	

TAX OR SURCHARGE

\$

557.10

Total Policy Premium \$

306,807.10

☐ Direct Bill ☐ See Premium Payment Schedule

Client No. 1055476

Audit Period: Annual (unless otherwise stated):

☐ Monthly ☐ Quarterly ☐ Semi-Annual ☐ Other (Describe)

Item 5. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

Countersigned:

DEC 14 2005

Date:

By:

Authorized Representative

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.



**NOTICE**  
**CONSUMER COMPLAINT NOTICE**

If you have a problem or complaint concerning your insurance policy with us, we are always available to help you. For assistance, please contact your independent insurance agent or the following company representative:

Crum&Forster  
Marketing Department  
901 International Parkway  
Suite 400  
Lake Mary, FL 32746  
(407) 563-6200

**United States Fire Insurance Company  
A Delaware Corporation  
Home Office: Wilmington, DE**

(A Capital Stock Company)

SIGNATURE



Joseph F. Braunstein, Jr.  
President

SIGNATURE



Valerie J. Gasparik  
Secretary

Policy Number  
2441886561

**Crum & Forster**  
A **FARMAX** Company

SCHEDULE OF TAXES, SURCHARGES OR FEES

Named Insured COPART INC.

Effective Date: 10-01-2005

Agent Name MARSH GLOBAL BROK/SF

12:01 A.M., Standard Time  
Agent No. 80835

TAXES/SURCHARGES DETAILED BREAKDOWN :

FLORIDA FIRE MARSHALL	\$	33.89
FLORIDA EMERGENCY MANAGEMENT	\$	4.00
Kentucky Firefighters	\$	48.77
New Jersey Property\Liability Guaranty Association	\$	104.88
New York Fire Fee	\$	61.40
Oregon Insurance Guarantee Association surcharge	\$	35.93
West Virginia Firefighters	\$	8.15
Kentucky Municipal Tax	\$	260.08

TOTAL TAXES/SURCHARGES:

\$ 557.10

Policy Number  
2441886561

**Crum & Forster**  
A **PARFAX** Company

**ENDORSEMENT**  
**UNITED STATES FIRE INSURANCE COMPANY**

Named Insured COPART INC.

Effective Date: 10-01-05

Agent Name MARSH GLOBAL BROK/SF

12:01 A.M., Standard Time  
Agent No. 80835

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

ENDORSEMENT - A

**FLORIDA INSURANCE PREMIUM SURCHARGE**

IN ACCORDANCE WITH FLORIDA LEGISLATION (BILL #SB1858) PASSED, EFFECTIVE 5-1-93, THERE IS A \$4.00 SURCHARGE IMPOSED ON THIS POLICY. THIS SURCHARGE WILL BE REMITTED TO THE DEPARTMENT OF REVENUE FOR THE EMERGENCY MANAGEMENT PREPAREDNESS AND ASSISTANCE TRUST FUND. ADDITIONAL PREMIUM SURCHARGE: \$4.00

All other terms and conditions of this Policy remain unchanged.

(The information below is required to be completed only when this endorsement is issued subsequent to the policy effective date).

Effective

, this endorsement forms part of Policy Number

Of

Issued to:

Endorsement No:

\_\_\_\_\_  
Authorized Representative

Policy Number  
2441886561

**Crum & Forster**  
A **FAIRFAX** Company

**ENDORSEMENT**  
**UNITED STATES FIRE INSURANCE COMPANY**

Named Insured COPART INC.

Effective Date: 10-01-05

Agent Name MARSH GLOBAL BROK/SF

12:01 A.M., Standard Time  
Agent No. 80835

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

**ENDORSEMENT - F**

**MINIMUM PREMIUM ENDORSEMENT**

IT IS AGREED IN THE EVENT OF CANCELLATION OF THIS POLICY BY THE INSURED AS SPECIFIED HEREIN, OR FOR NON-PAYMENT OF PREMIUM, THE MINIMUM PREMIUM WILL BE NOT LESS THAN TWENTY-FIVE PERCENT (25%) OF THE ANNUAL PREMIUM.

All other terms and conditions of this Policy remain unchanged.

(The information below is required to be completed only when this endorsement is issued subsequent to the policy effective date).

Effective \_\_\_\_\_, this endorsement forms part of Policy Number \_\_\_\_\_

Of \_\_\_\_\_

Issued to: \_\_\_\_\_

Endorsement No: \_\_\_\_\_

\_\_\_\_\_  
Authorized Representative

Policy Number  
2441886561

**Crum & Forster**  
A FAIRFAX Company

SCHEDULE OF NAMED INSURED  
UNITED STATES FIRE INSURANCE COMPANY

Named Insured COPART INC.

Effective Date: 10-01-05

Agent Name MARSH GLOBAL BROK/SF

12:01 A.M., Standard Time  
Agent No. 80835

FM 206.0.6 (cont.)

THE NAMED INSURED ON FORM FM 206.0.6 IS AMENDED TO READ:

COPART INC.  
COPART OF ARIZONA, INC.  
COPART OF ARKANSAS, INC.  
COPART OF CONNECTICUT, INC.  
COPART OF HOUSTON, INC.  
COPART OF KANSAS, INC.  
COPART OF LOUISIANA, INC.  
COPART OF MISSOURI, INC.  
COPART OF OKLAHOMA, INC.  
COPART OF TENNESSEE, INC.  
COPART OF TEXAS, INC.  
COPART OF WASHINGTON, INC.  
COPART-DALLAS, INC.  
COPART-HOUSTON, INC.  
DALLAS COPART SALVAGE AUTO  
AUCTIONS, LP  
HOUSTON COPART SALVAGE AUTO  
AUCTIONS, LP  
COPART SALVAGE AUTO AUCTIONS,  
INC.  
COPART LAND HOLDINGS, LLC  
CPRT LAND HOLDINGS, INC.  
MOTORS AUCTION GROUP, INC.  
COPART FINDER, INC.  
COPART CREDIT ACCEPTANCE  
CORP.  
COPART OF CANADA, INC. AND  
VB2, INC.

Policy Number  
2441886561

**Crum & Forster**  
A **FAIRFAX** Company

**SCHEDULE OF LOCATIONS**

**UNITED STATES FIRE INSURANCE COMPANY**

Named Insured **COPART INC.**

Effective Date: 10-01-2005

Agent Name **MARSH GLOBAL BROK/SF**

12:01 A.M., Standard Time

Agent No. 80835

Loc. No.	Bldg. No.	Designated Locations (Address, City, State, Zip Code)	Occupancy
		AS PER SCHEDULE ON FILE WITH COMPANY	

IL 02 70 07 02

**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

## **CALIFORNIA CHANGES – CANCELLATION AND NONRENEWAL**

This endorsement modifies insurance provided under the following:

BOILER AND MACHINERY COVERAGE PART  
CAPITAL ASSETS PROGRAM (OUTPUT POLICY) COVERAGE PART  
COMMERCIAL AUTOMOBILE COVERAGE PART  
COMMERCIAL GENERAL LIABILITY COVERAGE PART  
COMMERCIAL INLAND MARINE COVERAGE PART  
COMMERCIAL PROPERTY COVERAGE PART  
CRIME AND FIDELITY COVERAGE PART  
EMPLOYMENT-RELATED PRACTICES LIABILITY COVERAGE PART  
FARM COVERAGE PART  
LIQUOR LIABILITY COVERAGE PART  
POLLUTION LIABILITY COVERAGE PART  
PRODUCTS/COMPLETED OPERATIONS LIABILITY COVERAGE PART  
PROFESSIONAL LIABILITY COVERAGE PART

A. Paragraphs 2. and 3. of the Cancellation Common Policy Condition are replaced by the following:

**2. All Policies In Effect For 60 Days Or Less**

If this policy has been in effect for 60 days or less, and is not a renewal of a policy we have previously issued, we may cancel this policy by mailing or delivering to the first Named Insured at the mailing address shown in the policy and to the producer of record, advance written notice of cancellation, stating the reason for cancellation, at least:

a. 10 days before the effective date of cancellation if we cancel for:

- (1) Nonpayment of premium; or
- (2) Discovery of fraud or material misrepresentation by:
  - (a) Any insured or his or her representative in obtaining this insurance; or
  - (b) You or your representative in pursuing a claim under this policy.

b. 30 days before the effective date of cancellation if we cancel for any other reason.

**3. All Policies In Effect For More Than 60 Days**

a. If this policy has been in effect for more than 60 days, or is a renewal of a policy we issued, we may cancel this policy only upon the occurrence, after the effective date of the policy, of one or more of the following:

- (1) Nonpayment of premium, including payment due on a prior policy we issued and due during the current policy term covering the same risks.
- (2) Discovery of fraud or material misrepresentation by:
  - (a) Any insured or his or her representative in obtaining this insurance; or
  - (b) You or your representative in pursuing a claim under this policy.
- (3) A judgment by a court or an administrative tribunal that you have violated a California or Federal law, having as one of its necessary elements an act which materially increases any of the risks insured against.

- (4) Discovery of willful or grossly negligent acts or omissions, or of any violations of state laws or regulations establishing safety standards, by you or your representative, which materially increase any of the risks insured against.
- (5) Failure by you or your representative to implement reasonable loss control requirements, agreed to by you as a condition of policy issuance, or which were conditions precedent to our use of a particular rate or rating plan, if that failure materially increases any of the risks insured against.
- (6) A determination by the Commissioner of Insurance that the:
  - (a) Loss of, or changes in, our reinsurance covering all or part of the risk would threaten our financial integrity or solvency; or
  - (b) Continuation of the policy coverage would:
    - (i) Place us in violation of California law or the laws of the state where we are domiciled; or
    - (ii) Threaten our solvency.
- (7) A change by you or your representative in the activities or property of the commercial or industrial enterprise, which results in a materially added, increased or changed risk, unless the added, increased or changed risk is included in the policy.
- b. We will mail or deliver advance written notice of cancellation, stating the reason for cancellation, to the first Named Insured, at the mailing address shown in the policy, and to the producer of record, at least:
  - (1) 10 days before the effective date of cancellation if we cancel for a reason listed in Paragraph 3.a.(1) or 3.a.(2); or
  - (2) 30 days before the effective date of cancellation if we cancel for any other reason listed in Paragraph 3.a.

B. The following provision is added to the Cancellation Common Policy Condition:

#### 7. Residential Property

This provision applies to coverage on real property which is used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household personal property in a residential unit, if such coverage is written under one of the following:

#### Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. If such coverage has been in effect for 60 days or less, and is not a renewal of coverage we previously issued, we may cancel this coverage for any reason, except as provided in b. and c. below.
- b. We may not cancel this policy solely because the first Named Insured has:
  - (1) Accepted an offer of earthquake coverage; or
  - (2) Cancelled or did not renew a policy issued by the California Earthquake Authority (CEA) that included an earthquake policy premium surcharge.

However, we shall cancel this policy if the first Named Insured has accepted a new or renewal policy issued by the CEA that includes an earthquake policy premium surcharge but fails to pay the earthquake policy premium surcharge authorized by the CEA.

- c. We may not cancel such coverage solely because corrosive soil conditions exist on the premises. This Restriction (c.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:
  - (1) Capital Assets Program Coverage Form (Output Policy);
  - (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or
  - (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

- C. The following is added and supersedes any provisions to the contrary:

#### NONRENEWAL

1. Subject to the provisions of Paragraphs C.2. and C.3. below, if we elect not to renew this policy, we will mail or deliver written notice stating the reason for nonrenewal to the first Named Insured shown in the Declarations and to the producer of record, at least 60 days, but not more than 120 days, before the expiration or anniversary date.

We will mail or deliver our notice to the first Named Insured, and to the producer of record, at the mailing address shown in the policy.

#### 2. Residential Property

This provision applies to coverage on real property used predominantly for residential purposes and consisting of not more than four dwelling units, and to coverage on tenants' household property contained in a residential unit, if such coverage is written under one of the following:

Capital Assets Program (Output Policy) Coverage Part

Commercial Property Coverage Part

Farm Coverage Part – Farm Property – Farm Dwellings, Appurtenant Structures And Household Personal Property Coverage Form

- a. We may elect not to renew such coverage for any reason, except as provided in b., c. and d. below;
- b. We will not refuse to renew such coverage solely because the first Named Insured has accepted an offer of earthquake coverage.

However, the following applies only to insurers who are associate participating insurers as established by Cal. Ins. Code Section 10089.16. We may elect not to renew such coverage after the first Named Insured has accepted an offer of earthquake coverage, if one or more of the following reasons applies:

- (1) The nonrenewal is based on sound underwriting principles that relate to the coverages provided by this policy and that are consistent with the approved rating plan and related documents filed with the Department of Insurance as required by existing law;

- (2) The Commissioner of Insurance finds that the exposure to potential losses will threaten our solvency or place us in a hazardous condition. A hazardous condition includes, but is not limited to, a condition in which we make claims payments for losses resulting from an earthquake that occurred within the preceding two years and that required a reduction in policyholder surplus of at least 25% for payment of those claims; or

- (3) We have:

- (a) Lost or experienced a substantial reduction in the availability or scope of reinsurance coverage; or

- (b) Experienced a substantial increase in the premium charged for reinsurance coverage of our residential property insurance policies; and

the Commissioner has approved a plan for the nonrenewals that is fair and equitable, and that is responsive to the changes in our reinsurance position.

- c. We will not refuse to renew such coverage solely because the first Named Insured has cancelled or did not renew a policy, issued by the California Earthquake Authority that included an earthquake policy premium surcharge.

- d. We will not refuse to renew such coverage solely because corrosive soil conditions exist on the premises. This Restriction (d.) applies only if coverage is subject to one of the following, which exclude loss or damage caused by or resulting from corrosive soil conditions:

- (1) Capital Assets Program Coverage Form (Output Policy)

- (2) Commercial Property Coverage Part – Causes Of Loss – Special Form; or

- (3) Farm Coverage Part – Causes Of Loss Form – Farm Property, Paragraph D. Covered Causes Of Loss – Special.

3. We are not required to send notice of nonrenewal in the following situations:

- a. If the transfer or renewal of a policy, without any changes in terms, conditions, or rates, is between us and a member of our insurance group.

- b. If the policy has been extended for 90 days or less, provided that notice has been given in accordance with Paragraph C.1.
- c. If you have obtained replacement coverage, or if the first Named Insured has agreed, in writing, within 60 days of the termination of the policy, to obtain that coverage.
- d. If the policy is for a period of no more than 60 days and you are notified at the time of issuance that it will not be renewed.
- e. If the first Named Insured requests a change in the terms or conditions or risks covered by the policy within 60 days of the end of the policy period.
- f. If we have made a written offer to the first Named Insured, in accordance with the timeframes shown in Paragraph C.1., to renew the policy under changed terms or conditions or at an increased premium rate, when the increase exceeds 25%.

COPART0015

POLICY NUMBER: 2441886561

IL 09 98 05 04

THIS ENDORSEMENT IS ATTACHED TO AND MADE PART OF YOUR POLICY IN RESPONSE TO THE DISCLOSURE REQUIREMENTS OF THE TERRORISM RISK INSURANCE ACT OF 2002. THIS ENDORSEMENT DOES NOT GRANT ANY COVERAGE OR CHANGE THE TERMS AND CONDITIONS OF ANY COVERAGE UNDER THE POLICY.

**DISCLOSURE OF PREMIUM THROUGH 12/31/05 FOR  
CERTIFIED ACTS OF TERRORISM COVERAGE  
(PURSUANT TO TERRORISM RISK  
INSURANCE ACT OF 2002)**

**SCHEDULE**

**Terrorism Premium (Certified Acts) through 12/31/05 \$ NOT APPLICABLE**

**Additional information, if any, concerning the terrorism premium:**

YOU HAVE REJECTED COVERAGE FOR ACTS OF TERRORISM (AS DEFINED IN SECTION 102(1) OF THE TERRORISM RISK INSURANCE ACT OF 2002). THIS POLICY CONTAINS ONE OR MORE EXCLUSIONS THAT APPLY TO ACTS OF TERRORISM.

Information required to complete this Schedule, if not shown above, will be shown in the Declarations.

**A. Disclosure Of Premium**

In accordance with the federal Terrorism Risk Insurance Act of 2002, we are required to provide you with a notice disclosing the portion of your premium, if any, attributable to coverage for terrorist acts certified under that Act. The portion of your premium attributable to such coverage is shown in the Schedule of this endorsement or in the policy Declarations.

**B. Disclosure Of Federal Participation In Payment Of Terrorism Losses**

The United States Government, Department of the Treasury, will pay a share of terrorism losses insured under the federal program. The federal share equals 90% of that portion of the amount of such insured losses that exceeds the applicable insurer retention.

**COPART0016**

**C. Possibility Of Additional Premium**

The premium for certified acts of terrorism coverage is calculated based in part on the federal participation in payment of terrorism losses as set forth in the Terrorism Risk Insurance Act of 2002. The federal program established by the Act is scheduled to terminate at the end of 12/31/05 unless extended by the federal government. Continuation of coverage for certified acts of terrorism,

or termination of such coverage, will be determined upon disposition of the federal program, subject to the terms and conditions of the Conditional Exclusion on this policy. If coverage continues past 12/31/05, we will calculate the premium for such period of time and charge additional premium if indicated.

If we notify you of an additional premium charge, the additional premium will be due as specified in such notice.

**COPART0017**